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1-800-Reconex, Inc., d/b/a U.S. Tel

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CHIEF CLERK'S OFFICE

Second Amended Application for Designation as an Eligible Telecommunications Carrier Docket No. 08-0466 Pursuant to Section 214(e)(2) of the Telecommunications Act of 1996

SECOND AMENDED APPLICATION OF 1-800-RECONEX, INC. FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF ILLINOIS

1-800-Reconex, Inc., d/b/a U.S. Tel ("Reconex" or "Company"), by its undersigned counsel and pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the "Act")¹, and the rules of the Federal Communications Commission ("FCC") 47 C.F.R. §54.201, hereby submits this Second Amended Application for Designation ("Application") as an Eligible Telecommunications Carrier ("ETC") throughout its licensed service area in the State of Illinois. Reconex seeks designation as an ETC for the non-rural ware centers of AT&T Illinois ("AT&T"), an incumbent local exchange carrier ("ILEC"). Reconex seeks limited designation for low income support programs (Lifeline and Link Up) only and does not seek to participate in the High Cost support program. As demonstrated below, Reconex satisfies all of the statutory and regulatory requirements for designation as an ETC and Reconex's designation will serve the public interest. Accordingly, Reconex respectfully requests that Illinois Commerce Commission ("Commission") grant this Petition.

⁴⁷ U.S.C. Section 214(e)(2)

I. BACKGROUND.

Reconex is a competitive local exchange carrier ("CLEC") headquartered in Hubbard, Oregon that offers local exchange and exchange access services to both residential and small business customers in thirty-five (35) jurisdictions, including the State of Illinois,² and is certified to provide local exchange and exchange access services in forty-five (45) jurisdictions. A copy of the Company's Articles of Incorporation are on file with the Commission and incorporated by reference.³

Reconex currently provides all services and functionalities supported by the federal universal service program set forth in Section 54.101(a) of the FCC rules throughout its service area in Illinois. Reconex will provide universal service to its consumer using a combination of unbundled network elements ("UNEs"), purchased in a wholesale arrangement with AT&T, and resale of AT&T's local exchange service pursuant to Section 251(c)(4) of the federal Act."

Reconex seeks designation as a limited ETC for purposes of qualifying to receive federal universal service support in the non-rural service area of the incumbent carrier,

AT&T. for the low income Lifeline and Link Up programs only.

² Docket No. 97-0388 (11/19/7) and Docket No. 02-0375 (8/7/02).

³ Id.

⁴ Section 54.201 of the FCC's Rules states, "|f|or the purposes of this section, the term 'own facilities' includes, but is not limited to, facilities obtained as unbundled network elements pursuant to part 51 of this chapter, provided that such facilities meet the definition of the term 'facilities' under this subpart. 47 C.F.R. Section 54.201(f). The term "facilities" under Section 54.201 is defined as "any physical components of the telecommunication network that are used in the transmission or routing of the services that are designated for support pursuant to subpart B of this part. 47 C.F.R. Section 54.201(e). Reconex's use of AT&T's UNEs meets this definition of "facilities".

II. RECONEX SATISFIES ALL OF THE REQUIREMENTS FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER.

Pursuant to Section 214(e)(2) of the Act, a State commission shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (1) [Section 214(e)(1) of the Act] as an eligible telecommunications carrier for a service area designated by the State commission.⁵ A "common carrier" under the Act means, "…any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy, except where reference is made to common carriers not subject to this Act…".⁶ Reconex is a common carrier as defined by the above language.

The requirements of Section 214(e)(1) are that the common carrier must:

- (A) offer the services that are supported by Federal universal service support mechanisms under section 254(c) of this title, either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and
- (B) advertise the availability of such services and the charges therefore using media of general distribution.⁷

The "supported services" are listed in 47 C.F.R. Section 54.101(a). Reconex satisfies each of the elements required for ETC designation pursuant to Section 214(e) of the Act.

⁵ 47 U.S.C Section 214(e)(2)

^{6 47} U.S.C. Section 153(10)

⁴⁷ U.S.C. Section 214(e)(1)

A. Reconex Provides the Core Services Required to Qualify for Low Income Federal Universal Service Support.

Reconex currently provides all of the services and functionalities supported by the federal universal service program, as set forth in Section 214 of the Act and Section 54.101(a) of the FCC's rules, throughout the AT&T area in Illinois, the area for which it seeks designation. Attached as Exhibit A is the Affidavit of David R. Griffee, President of Reconex, certifying that the Company satisfies all the requirements for designation as an ETC to serve the Designated Area.

The FCC has identified the following services and functionalities as the core services to be offered by an ETC and supported by federal universal service support mechanisms:⁸

- 1. Voice-grade access to the public switched telephone network;
- 2. Local usage;
- 3. Dual-tone, multi-frequency ("DTMF") signaling, or its functional equivalent;
- 4. Single-party service or its functional equivalent;
- 5. Access to emergency services:
- 6. Access to operator services;
- 7. Access to interexchange services;
- 8. Access to directory assistance, and
- 9. Toll limitation for qualifying low-income consumers.

⁸ 47 C.F.R. Section 54.101(a)(1-9).

For purposes of ETC applications, carriers must provide each of the supported services, or where it's appropriate, its functional equivalent. As shown below, Reconex currently provides each of the required services and functionalities throughout the area for which it seeks designation.

1. Voice-Grade Access To The Public Switched Network.

"Voice-grade access" is defined as a functionality that enables a user of telecommunication services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal there is an incoming call. The bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz. Reconex meets this requirement by providing voice-grade access to the public switched telephone network. Through its interconnection arrangements with AT&T, each of Reconex's customers are able to make and receive calls on the public switched telephone network within the specified bandwidth.

2. Local Usage.

"Local Usage" means an amount of minutes of use of exchange service prescribed by the FCC, provided free of charge to end-users. ETCs must include local usage beyond providing simple access to the public switched network as part of a universal service offering. Reconex includes unlimited local usage in each of its local service rate plans, and thereby complies with the requirement that all ETCs offer local usage.

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Sec 47 C.F.R. Section 54:101.

3. Dual-Tone Multi-Frequency ("DTMF") Signaling, or its Functional Equivalent.

"DTMF" is a method of signaling that facilitates the transportation of call set- up and call detail information. Reconex provides DTMF signaling consistent with the rules.

4. Single-Party Service or Its Functional Equivalent.

"Single-party service" is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed, or, in the case of wireless telecommunication carriers, which use spectrum shared among users to provide service, a dedicated message path for the length of the user's particular transmission. Reconex meets the requirement by providing single-party service throughout its service area.

5. Access to Emergency Services.

"Access to emergency services" includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations.
911 is defined as a service that permits a telecommunications user, by dialing the three-digit code "911", to call emergency services through a Public Service Access Point (PSAP) operated by the local government. "Enhanced 911" is defined as 911 service that includes the ability to provide automatic numbering information (ANI), which enable the PSAP to call back if the call is disconnected, and automatic location information (ALI), which permits emergency service providers to identify the geographic location of the calling party. "Access to emergency services" includes access to 911 and enhanced 911

services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems. Reconex currently provides its subscribers with access to 911 and enhanced 911 emergency services in accord with this requirement, and consistent with FCC regulations throughout the service area for which designation is sought.

6. Access to Operator Services.

"Access to operator services" is defined as access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call. Reconex offers its customers access to operator services, including customer service and call completion.

7. Access to Interexchange Service.

"Access to interexchange service" is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user, or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network. An ETC must offer consumers access to interexchange service to make and receive toll or interexchange calls. Reconex meets this requirement by providing its customers with the ability to make such calls.

8. Access to Directory Assistance.

"Access to directory assistance" is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information

contained in directory listings. Reconex meets this requirement by providing its customers with access to directory assistance by dialing "411" or "555-1212".

9. Toll Limitation for Qualifying Low-Income Consumers.

"Toll limitation" denotes either toll blocking or toll control for eligible telecommunications carriers that are incapable of providing both services. For eligible telecommunications carriers that are capable of providing both services, "toll limitation" denotes both toll blocking and toll control. 10

- Toll blocking. "Toll blocking" is a service provided by (a) carriers that lets consumers elect not to allow the completion of outgoing toll calls from their telecommunications channel. 1
- Toll control. "Toll control" is a service provided by (b) carriers that allows consumers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle.12

Reconex currently has the technology to provide toll limitation, currently provides it to its customers, and will utilize this technology to provide such functionality at no additional charge to Lifeline customers.

¹⁰ 47 C.F.R. Section 54.400(d)

¹¹ 47 C.F.R. Section 54.400(c) ¹² 47 C.F.R. Section 54.400(b)

B. Reconex Offers Supported Services Over Its Own Facilities.

A carrier requesting designation must certify that it offers the supported services "either using its own facilities or a combination of its own facilities and resale of another carrier's services. ¹³ Reconex will provide universal service to its consumer using a combination of unbundled network elements ("UNEs"), purchased in a wholesale arrangement with AT&T, and resale of AT&T's local exchange service pursuant to Section 251(c)(4) of the federal Act. ¹⁴ Reconex is willing and able to serve all customers throughout the area for which it has requested designation.

C. Reconex Will Advertise Its Universal Service Offering.

Reconex will advertise the availability of the supported services and the corresponding charges in a manner that informs the general public within the designated area of both the services available and the corresponding charges. Reconex advertises its wireline services through several different media of general distribution throughout the service area for which designation is requested. While Reconex's primary method of advertising is via television, other methods including direct mail, newspapers, periodicals, and customer bill inserts, will be utilized to advertise its universal service offerings throughout the service area designated by the Commission.

¹⁵ 47 C.F.R. Section 54.201(d)(2); 47 U.S.C. Section 214(e)(1)(B).

⁴³ 47 U.S.C. Section 214(e)(1)(A)

Section 54.201 of the FCC's Rules states, "riffor the purposes of this section, the term 'own facilities' includes, but is not limited to, facilities obtained as unbundled network elements pursuant to part 51 of this chapter, provided that such facilities meet the definition of the term 'facilities' under this subpart. 47 C.F.R. Section 54.201(f). The term "facilities" under Section 54.201 is defined as "any physical components of the telecommunication network that are used in the transmission or routing of the services that are designated for support pursuant to subpart B of this part. 47 C.F.R. Section 54.201(e). Reconex's use of AT&T's UNEs meets this definition of "facilities".

In addition, Reconex's advertising will conform to the rules adopted by the Commission. ¹⁶In accordance with Code Part 757, Reconex will advertise the general availability of, and charges for the supported services listed above to all telecommunication customers in the specified geographic area at least on a quarterly basis. It will place those advertisements in a media of general distribution that targets the residential customer. In addition, if the Commission so requests, Reconex will provide proof of its advertising practices to the Commission. With regard to the availability of low income services, Reconex will also advertise in accordance with the Commission's rules. In addition, Reconex, is willing to provide written notification of universal service programs to the directors of municipal, State, and federal governmental agencies within the Reconex territory whose clientele in likely to benefit from the program.

III. RECONEX REQUESTS DESIGNATION THROUGHOUT THE AT&T SERVICE AREA IN ILLINOIS.

Reconex requests ETC designation for the entire AT&T service area in Illinois as represented by the list of wire centers on Exhibit B. Reconex is not a "rural telephone company" as that term is defined by Section 153(37) of the Act. Under Section 54.207(a) of the FCC Rules, a "service area" is a "geographic area" established by a state commission for the purpose of determining universal service obligations and support mechanisms. For non-rural service areas, there are no restrictions on how a state commission defines the "service area" for purposes of designating a competitive ETC. Therefore the Commission may designate Reconex as an ETC in all the non-rural wire centers of AT&T. Reconex does not request ETC designation in any rural area at this

¹⁶ See Illinois Administrative Code Part 757.

¹⁷ 47 C.F.R. Section 54.207(a).

time. Reconex proposes a limited service area consisting of each of the AT&T non-rural wire centers designated in Exhibit B.

Reconex only seeks to offer its low income Illinois customers support through the Lifeline and Link-Up programs and does not intend to seek or receive support in Illinois from the USAC's High Cost funds. If in the event that any of the AT&T non-rural wire centers were in the future to be designated as a High Cost area, Reconex certifies that it will timely notify the Commission of any future change that would render it eligible to receive USF High Cost support. Reconex certifies that it will notify the Commission within three weeks of learning of any potential change in the USF support in any of the AT&T non-rural wire centers. Reconex also certifies that in the event of any such future change in USF support, it will timely file a revised five-year spending plan to account for appropriate use of all High Cost USF support received. Reconex will commit to filing this plan within six (6) weeks after notifying the Commission of any change in USF support. Reconex's proposed tariff revisions for Link-Up and Lifeline are attached hereto as Exhibit C.

V. FCC'S ETC ORDER.

The FCC's ETC Order¹⁸ imposes additional requirements which the FCC will use in evaluating applications for ETC status. The FCC referred to the additional requirements as "the minimum requirements" it would use in designating a carrier as an ETC, and urged that these procedures serve as guidelines for state commissions to follow in their evaluation of ETC applications. State commissions, however, are not bound by

¹⁸ Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC-05-46.

these requirements. ¹⁹The guidelines are as follows: (1) applicant must demonstrate a commitment and ability to provide services, including providing service to all customers within its proposed service area, including a 5-year network improvement plan; (2) applicant must demonstrate how it will remain functional in emergency situations; (3) applicant must satisfy consumer protection and service quality standards; (4) applicant must offer local usage plans comparable to the offered by the ILEC; and (5) applicant must demonstrate an understanding that it may be required to provide equal access if all other ETC's in the designated area relinquish their designations pursuant to Section 214(e)(4) of the Act.

Ā. Commitment To Provide Service.

Reconex commits to provide service throughout its proposed ETCdesignated service area to all customers making a reasonable request for service.

Five-Year Network Improvement Plan. В.

Pursuant to FCC guidelines, an ETC applicant must submit a five-year plan that describes with specificity proposed improvement or upgrades to the applicant's network on a wire center by wire center basis throughout its proposed designated service area. The FCC recommended that state commissions apply a similar approach, but did not require absolute uniformity, stating that its approach accounts for "unique circumstances" and "allows consideration of fact-specific circumstances of the carrier and the designated service area". 20

¹⁹ Id. At §§58-64 ²⁰ FCC ETC Order at Paragraphs 23-24.

The only circumstance warranting deviation from this requirement is in the instance where an applicant's requested ETC serving territory would quality it to receive no "high cost" USF support, but only "low income" USF support. As Reconex is requesting a designated service area in which high cost support is not currently available, and, as stated above, seeks ETC designation solely for purpose of reimbursement for provision of subsidized Lifeline and Link-Up services, submission of a Five-Year Network Improvement Plan is not required at this time.

Reconex shall report unnually the amount of USF funding received.

Reconex shall also report the amount of Lifeline and Link-Up subsidies. This information is intended to provide the Commission with an accurate accounting of receipts and disbursements of federal USF support by Reconex. Should circumstances change such that Reconex becomes eligible to receive high cost support, it shall abide by the multi-year network improvement plan requirement.

C. Ability To Remain Functional In Emergency Situations.

Under the new FCC guidelines an ETC applicant must demonstrate its ability to remain functional in emergency situations.² As Reconex is providing service to its customers via AT&T leased facilities, this arrangement allows Reconex to provide its customers the same ability to remain functional in emergency situations as currently provided by the ILECs to their own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations.

²¹ 47 C.F.R. §54.202(a)(2); FCC Order at Paragraph 25.

D.. Consumer Protection And Service Quality Standards

Under the new FCC guidelines an applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards. ²² Reconex certifies that it will satisfy all such standards. As part of its certification process, and its provision of services to Illinois customers, Reconex must abide by the service quality and consumer protection rules set for in Code Parts 730, 731, 732, and 735. Reconex asserts that it complies with the "slamming" and "cramming" requirements found in Sections 13-902 and 13-903 of the PUA. In addition, Reconex commits to reporting information on consumer complaints per 1,000 lines on an annual basis consistent with the FCC's ETC Order. Reconex asserts that it presently does and will continue to do so in the future, satisfy all such applicable state and federal requirements related to consumer protection and service quality standards.²³

E. Local Usage/Rate Plans

Under the new FCC guidelines an ETC applicant must demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation.²⁴ Reconex has reviewed the AT&T rate plans, specifically, the Flat Rate Package, the Enhanced Flat Rate Package, and Consumer's Choice Plus and commits to offering plans comparable to those AT&T rate plans.

In terms of comparability with AT&T, applicant's local calling packages are offered to all who apply for service regardless of past credit history, which tends to

²⁴ 47 C.F.R. §54.202(a)(4); FCC ETC Order at Paragraph 32.

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²² 47 C.F.R. §54.202(a)(3); FCC ETC Order at Paragraph 28.

²³ Including all reporting required under FCC ETC Order at Paragraph 69 and in 47 C.F.R. §54.209.

result in a high churn and default rate. Consequently, the cost of doing business may be higher for Reconex than for the incumbent. Reconex does, however, commit to offer and continue to offer local usage plans that are comparable to the incumbent LEC.

F.. Carrier Of Last Resort – Equal Access Requirement.

Under the new FCC guidelines an ETC applicant shall certify its acknowledgment that the FCC may require it "to provide equal access to long distance carriers in their designated service area in the event that no other ETC is providing equal access within the service area.²⁵ Reconex acknowledges that it may be required to provide equal access to long distance carriers to all its customers in its designated service area, and will abide by such requirement.

VI. Annual Reporting and Certification Requirements

Paragraph 69 of the FCC's ETC Order, and 47 C.F.R. §54.209, identifies certain annual reporting requirements in connection with the annual certification of ETC's as follows:

- (1) progress reports on the ETC's five-year service quality improvement plan, including maps detailing progress towards meeting its plan targets, an explanation of how much universal service support was received and how the support was used to improve signal quality, coverage, or capacity; and an explanation regarding any network improvement targets that have not been fulfilled. The information should be submitted at the wire center level;
- (2) detailed information on any outage lasting at least 30 minutes, for any service area in which an ETC is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect at least ten percent of the end users served in a designated service area, or that potentially affect a 911 special facility (as defined in subsection (e) of section 4.5 of the Outage Reporting Order). An outage is defined as a significant degradation in the ability of the end user to establish and maintain a channel of communications as a result of failure or

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²⁵ 47 C.F.R. §54.202(a)(5); FCC ETC Order at Paragraph 35.

degradation in the performance of communication's provider's network. Specifically, the ETC's annual report must include: (1) the date and time of onset of the outage; (2) a brief description of the outage and its resolution; (3) the particular services affected; (4) the geographic areas affected by the outage; (5) steps taken to prevent a similar situation in the future; and (6) the number of customers affected;

- (3) the number of requests for service from potential customers within its service areas that were unfulfilled for the past year. The ETC must also detail how it attempted to provide service to those potential customers;
- (4) the number of complaints per 1,000 handsets or line;
- (5) certification that the ETC is complying with the applicable service quality standards and consumer protection rules, e.g. the CTIA Customer Code for Wireless Service:
- (6) certification that the ETC is able to function in emergency situations;
- (7) certification that the ETC is offering a local usage plan comparable to that offered by the incumbent LEC in the relevant service areas; and
- (8) certification that the carrier acknowledges that the Commission may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications earrier is providing equal access within the service area.

Reconex is committed to comply with all of the applicable annual reporting requirements that are required of it as a recipient of the low-cost support, and is committed to provide a five-year spending plan (reporting requirement 1 from C.F.R. §54.209) in the event it becomes eligible for high cost support.

VII. GRANTING THIS PETITION WILL SERVE THE PUBLIC INTEREST.

The Commission should find that designating Reconex as an ETC would serve the public interest. Designation of Reconex, as an ETC will benefit Illinois consumers by enhancing Reconex's ability to construct and improve network facilities, which will facilitate competition by placing Reconex on a more level playing field with the incumbent local exchange carriers.

In addition, designating Reconex as an ETC will bring the further benefits of competition of increased choices at competitive prices. In a competitive market, consumers will be able to choose the services that best meet their communication needs. With a choice of service providers, the consumer is able to select a provider based on service quality, service availability, and rates.

Finally, Reconex will advertise telecommunication services as an ETC in the AT&T territory in Illinois and will publicize the availability of Lifeline and Link Up services in a manner reasonably designed to reach those likely to quality for those services. Accordingly, more low-income Illinois residents will be made aware of the opportunities afforded to them under the Lifeline and Link Up programs and will be take advantage of those opportunities by subscribing to the Reconex service. And to the extent that additional low income customers avail themselves of the service this will result in increased access to emergency services for the public overall.

CONCLUSION

Based upon the foregoing, Reconex respectfully request that the Commission designate Reconex as a competitive federal ETC for the limited purpose of receiving federal universal service support for the low income programs Lifeline and Link Up, effective as of the date of the Commission's order.

Dated: September 10, 2008

Respectfully submitted,

1-800 Reconex, Inc., db/a U.S. Tel

Bv:

William E. Braun

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VERIFICATION

STATE OF OREGON §
COUNTY OF MARION §

- 1. My name is William E. Braun. I am Vice-President & General Counsel of the Applicant 1-800-Reconex, Inc., d/b/a U.S. Tel.
- I swear or affirm that I have personal knowledge of the facts stated in this Second Amended Application, that I am competent to testify to them, and that I have the authority to make this Application on behalf of 1-800-Reconex, Inc.. I further swear or affirm that all of the statements and/or representations made in this Application are true and correct.

Signature of Affiant/Responsible Party

William E. Braun

1-800-Reconex, Inc., d/b/a U.S. Tel

SWORN TO AND SUBSCRIBED TO BEFORE ME on the ______ day of ______, 2008.

OFFICIAL SEAL
JENNIFER E SIKES
NOTARY PUBLIC-OREGON
COMMISSION NO. 397013
MY COMMISSION EXPIRES SEPTEMBER 12, 2009

Notary Public in and for the

My Commission Expires:

SEPTEMBER 12, 2009